

NEW ORLEANS BIOINNOVATION CENTER, INC.

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2011

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 29 2012**

CASCIO & SCHMIDT, LLC
Certified Public Accountants

NEW ORLEANS BIOINNOVATION CENTER, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
New Orleans BioInnovation Center, Inc

We have audited the accompanying statement of financial position of New Orleans BioInnovation Center, Inc. (a non-profit corporation) as of June 30, 2011, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's 2010 financial statements and, in our report dated November 29, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Orleans BioInnovation Center, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2011, on our consideration of New Orleans BioInnovation Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of New Orleans BioInnovation Center, Inc. taken as a whole. The accompanying combined statement of revenue and expenses and statement of general and administrative expenses for the year ended June 30, 2011, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cascio & Schmidt, LLC.

Metairie, Louisiana
September 12, 2011

NEW ORLEANS BIOINNOVATION CENTER, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2011

	ASSETS		MEMORANDUM ONLY
	<u>June 30, 2011</u>		<u>June 30, 2010</u>
CURRENT ASSETS			
Cash	\$ 92,958		\$ 89,485
Receivables (Notes A4 and C)	<u>4,080,350</u>		<u>804,701</u>
Total current assets	4,173,308		894,186
PROPERTY AND EQUIPMENT - At cost			
(Notes A5 and D)	39,485,791		16,189,243
OTHER ASSETS			
Deposits and prepaid expenses	<u>127,255</u>		<u>8,893</u>
Total assets	\$ <u>43,786,354</u>		\$ <u>17,092,322</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Note payable	\$ 70,002		\$ -
Accounts payable	2,576,621		275,858
Rental deposits	7,700		-
Deferred revenue (Note E)	53,392		76,036
Retainages payable, construction	<u>1,323,601</u>		<u>449,407</u>
Total current liabilities	4,031,316		801,301
COMMITMENTS (Note F)	-		-
NET ASSETS (Notes A2 and A3)			
Unrestricted	269,247		101,087
Temporarily restricted	<u>39,485,791</u>		<u>16,189,934</u>
Total net assets	<u>39,755,038</u>		<u>16,291,021</u>
Total liabilities and net assets	\$ <u>43,786,354</u>		\$ <u>17,092,322</u>

The accompanying notes are an integral part of this statement

NEW ORLEANS BIOINNOVATION CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	2011	TOTAL MEMORANDUM ONLY 2010
REVENUE				
Grants	\$ -	\$ -	\$ -	\$ 873,348
Contract revenue	-	24,080,978	24,080,978	12,078,069
Other	303,930	-	303,930	292,884
Net assets released from restrictions	<u>785,121</u>	<u>(785,121)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,089,051</u>	<u>23,295,857</u>	<u>24,384,908</u>	<u>13,244,301</u>
EXPENSES				
Salaries and related benefits	460,633	-	460,633	392,317
Contract service expense	97,262	-	97,262	101,752
Non-personnel expenses	38,958	-	38,958	29,160
Facility & equipment expenses	53,346	-	53,346	55,845
Travel & meeting expenses	26,539	-	26,539	50,483
Other expenses	149,138	-	149,138	72,039
Equipment, not capitalized	80,378	-	80,378	49,555
Depreciation and amortization	<u>14,637</u>	<u>-</u>	<u>14,637</u>	<u>30,491</u>
Total Expenses	<u>920,891</u>	<u>-</u>	<u>920,891</u>	<u>781,642</u>
INCREASE IN NET ASSETS	168,160	23,295,857	23,464,017	12,462,659
Net assets, beginning of year	<u>101,087</u>	<u>16,189,934</u>	<u>16,291,021</u>	<u>3,828,362</u>
Net assets, end of year	\$ <u>269,247</u>	\$ <u>39,485,791</u>	\$ <u>39,755,038</u>	\$ <u>16,291,021</u>

The accompanying notes are an integral part of this statement

NEW ORLEANS BIOINNOVATION CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2011

	<u>June 30, 2011</u>	<u>Memorandum Only June 30, 2010</u>
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Increase in net assets	\$ 23,464,017	\$ 12,462,659
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	14,681	30,491
Changes in assets and liabilities		
(Increase) decrease in receivables	(3,275,649)	(528,209)
Increase (decrease) in accounts payable	2,300,763	(62,939)
(Increase) in deposits and prepaid expenses	(118,362)	(6,920)
Increase (decrease) in deferred revenue	(22,644)	(46,566)
Increase in retainages payable	874,194	449,407
Increase on rental deposits	<u>7,700</u>	<u>-</u>
Net cash provided by operating activities	<u>23,244,700</u>	<u>(12,297,923)</u>
Cash flows from investing activities		
Construction costs capitalized	(21,735,742)	(12,045,363)
Retainages capitalized	(874,194)	(449,407)
Acquisition of equipment	<u>(701,293)</u>	<u>(32,615)</u>
Net cash (used) by investing activities	<u>(23,311,229)</u>	<u>(12,527,385)</u>
Cash flows from financing activities		
Credit line loan	<u>70,002</u>	<u>-</u>
Net cash provided by financing activities	<u>70,002</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	3,473	(229,462)
Cash and cash equivalents, beginning of year	<u>89,485</u>	<u>318,947</u>
Cash and cash equivalents, end of year	\$ <u><u>92,958</u></u>	\$ <u><u>89,485</u></u>

The accompanying notes are an integral part of this statement

NEW ORLEANS BIOINNOVATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows

1. Nature of Activities

The primary purpose of New Orleans BioInnovation Center, Inc (the "Corporation") is to construct, develop and manage the property located at 1441 Canal Street, New Orleans, Louisiana, into a biotechnology business incubator facility in furtherance of the development and support of a life science industry within the City of New Orleans. It is estimated that the cost to design and construct the facility should be between \$44,000,000 and \$47,000,000. The Corporation may also develop and manage other properties within the biomedical district. The Corporation's activities are intended to foster economic development through the creation of new jobs, diversification of the local economy and revitalization of an economically depressed area of the City of New Orleans.

The Corporation is a private, non-profit entity that shall not be deemed to be a public or quasipublic corporation or an administrative unit, public servant, employee or agent of any institution of higher education for any purpose whatsoever, because the Corporation is organized and shall be operated for the principal purpose of supporting one or more programs, facilities or research or educational opportunities offered by Louisiana State University Health Sciences Center, Tulane University Health Sciences Center, Xavier University, and the University of New Orleans.

The New Orleans BioInnovation Center, Inc. is organized and constituted as a nonprofit corporation exempt from income taxation under and in accordance with the provisions of Section 501(c)(3) of the Internal Revenue Code and the Nonprofit Corporation Law of the State of Louisiana, La Rev Stat 12:201-269.

2. Financial Statement Presentation

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the Corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets during the year ended June 30, 2011.

NEW ORLEANS BIOINNOVATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

3. Revenue Recognition

For financial reporting, the Corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Grant and contract revenue are recognized as they are earned in accordance with approved contracts.

4. Receivables

The Corporation considers accounts receivable to be fully collectible since the balance consists of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

5. Property and Equipment

New Orleans BioInnovation Center, Inc. capitalizes, at cost, all furniture and equipment in excess of \$5,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (September 12, 2011).

NEW ORLEANS BIOINNOVATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

8 Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), as set forth in FASB ASC 820-10, requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

		<u>Fair Value Measurement of Reporting Date</u>		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Financial Assets				
Cash and cash equivalents	\$ 92,958	\$ 92,958	\$ -	\$ -
Receivables	4,080,350	4,080,350		
Financial Liabilities				
Note payable	(70,002)	-	-	-
Accounts payable	(2,576,621)	(2,576,621)	-	-
Rental deposits	(7,700)	(7,700)	-	-
Deferred revenue	(53,392)	(53,392)	-	-
Retainages payable	(1,323,601)	(1,323,601)	-	-
	\$ <u>141,992</u>	\$ <u>141,992</u>	\$ <u>-</u>	\$ <u>-</u>

The assumptions to fair values are as follows:

- 1 Cash and cash equivalents carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.
- 2 Receivables and liabilities are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

NEW ORLEANS BIOINNOVATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE C - RECEIVABLES

Receivables at June 30, 2011, consist of the following

Louisiana Department of Economic Development	
Operating CEA	\$ 26,240
Construction	2,593,408
Retainages	1,323,601
Commercialization	75,000
Other	62,101
	<u>\$ 4,080,350</u>

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2011

Equipment	\$ 756,181
Construction in progress	37,434,805
Construction retainages	<u>1,323,601</u>
	39,514,587
Less accumulated depreciation	<u>28,796</u>
	<u>\$ 39,485,791</u>

NOTE E - DEFERRED REVENUE

Deferred revenue consists of the following at June 30, 2011

Perkin Mentor Program	\$ 50,000
Other	<u>3,392</u>
	<u>\$ 53,392</u>

NOTE F - LEASE AGREEMENT

Building Project

Louisiana State University (LSU) owns the land located at 1441 Canal Street, New Orleans. New Orleans BioInnovation Center, Inc (NOBIC) entered into a lease agreement with LSU December 13, 2002 for a primary term of 20 years and options to renew the lease for two 10 year periods. Rental payments stated in the First Lease Amendment dated April 11, 2011, provides for \$800 a month commencing upon substantial completion of construction and acceptance for occupancy by NOBIC. The rental rates for renewal option periods provided for by the Renovation Lease shall be calculated by first determining the value of the land as follows: capitalizing the net operating income for the project for the year preceding the exercise of the option at ten percent, and attributing twenty percent of the value so derived to the land, and, second, applying, ten percent of the land value so determined as the annual rent for the renewal period.

NEW ORLEANS BIOINNOVATION CENTER, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

June 30, 2011

NOTE F - LEASE AGREEMENT - Continued

Administrative Office

The administrative office at 134 LaSalle Street was leased under an operating lease. The monthly rent was \$2,900. Rental expenses for the year amounted to \$31,900.

New Orleans Bioinnovation Center, Inc. moved into their new building at 1441 Canal Street June 1, 2011. Accordingly, the \$800 monthly payments to LSU began June 2011.

NOTE G - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501 (c)(3) of the Internal Revenue Code.

NOTE H - RETIREMENT PLAN

The Corporation sponsors a defined contribution plan covering all full-time employees with one year of service. The Corporation contributes to the plan an amount equal to 100% of the employee's contribution, limited to 3% of the employee's salary. The pension expense for the year ended June 30, 2011 totaled \$5,445 (6/30/09 - \$5,169).

NOTE I - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board. Accordingly, no compensation was paid to any board member during the year ended June 30, 2011.

NOTE J - FUNCTIONAL EXPENSES

Functional expenses for the year ended June 30, 2011 are as follows:

Supportive services	
General and administrative	\$ 562,895
Program expenses	169,017
Fund raising	-
	<u>\$ 731,912</u>

SUPPLEMENTAL INFORMATION

NEW ORLEANS BIOINNOVATION CENTER, INC.
COMBINED STATEMENT OF REVENUE AND EXPENSES

Year ended June 30, 2011

	<u>General & Administrative</u>			<u>Baptist Community Ministries</u>
	<u>Operating CEA</u>	<u>Tenants</u>	<u>Other</u>	
REVENUE				
Louisiana Department of Economic Development	\$ 468,951	\$ -	\$ -	\$ -
Economic Development Administration Other	-	-	-	-
Total Revenue	<u>468,951</u>	<u>130,206</u>	<u>14,498</u>	<u>4,500</u>
		<u>130,206</u>	<u>14,498</u>	<u>4,500</u>
EXPENSES				
Salaries and related benefits	328,280	80,328	-	22,877
Contract service expense	24,417	200	977	8,388
Non-personnel expenses	33,079	929	674	1,560
Facility & equipment expenses	52,006	510	-	255
Travel & meeting expenses	17,101	-	6,941	1,472
Other expenses	14,068	-	3,385	-
Equipment, not capitalized	-	-	-	378
Depreciation and amortization	-	-	-	-
Total expenses	<u>468,951</u>	<u>81,967</u>	<u>11,977</u>	<u>34,930</u>
Increase (decrease) in net assets	-	48,239	2,521	(30,430)
Property and equipment capitalized	-	-	-	-
Retainages capitalized	-	-	-	-
Transfers	-	-	(29,739)	29,739
Net assets, beginning of year	-	<u>41,427</u>	<u>59,660</u>	<u>691</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 89,666</u>	<u>\$ 32,442</u>	<u>\$ -</u>

NEW ORLEANS BIOINNOVATION CENTER, INC.

COMBINED STATEMENT OF REVENUE AND EXPENSES

Year ended June 30, 2011

	<u>Commercialization</u>	<u>Construction In Progress</u>	<u>Property and Equipment</u>	<u>Total</u>
REVENUE				
Louisiana Department of Economic Development	\$ -	\$ 23,612,027	-	\$ 24,080,978
Economic Development Administration	-	-	-	-
Other	<u>154,726</u>	<u>-</u>	<u>-</u>	<u>303,930</u>
Total Revenue	<u>154,726</u>	<u>23,612,027</u>	<u>-</u>	<u>24,384,908</u>
EXPENSES				
Salaries and related benefits	18,604	10,544	-	460,633
Contract service expense	32,438	30,842	-	97,262
Non-personnel expenses	641	2,075	-	38,958
Facility & equipment expenses	85	490	-	53,346
Travel & meeting expenses	904	121	-	26,539
Other expense	1,415	130,270	-	149,138
Equipment, not capitalized	80,000	-	-	80,378
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>14,637</u>	<u>14,637</u>
Total expenses	<u>134,087</u>	<u>174,342</u>	<u>14,637</u>	<u>920,891</u>
Increase (decrease) in net assets	20,639	23,437,685	(14,637)	23,464,017
Property and equipment capitalized	-	(22,436,991)	22,436,991	-
Retainages capitalized	-	(874,194)	874,194	-
Transfers	-	-	-	-
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>16,189,243</u>	<u>16,291,021</u>
Net assets, end of year	<u>\$ 20,639</u>	<u>\$ 126,500</u>	<u>\$ 39,485,791</u>	<u>\$ 39,755,038</u>

NEW ORLEANS BIOINNOVATION CENTER, INC.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
OPERATING CEA
Year Ended June 30, 2011 and 2010

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Salaries & Related Benefits		
Salaries & wages	\$ 266,714	\$ 218,023
Retirement contributions	5,445	5,169
Disability insurance	4,986	1,718
Health insurance	32,397	38,111
Payroll taxes	16,699	13,349
Payroll processing fees	<u>2,039</u>	<u>2,200</u>
	<u>328,280</u>	<u>278,570</u>
Contract Service Expense		
Contract labor	2,817	-
Contract outside services	15,355	20,853
Accounting	-	10,655
Professional fees	<u>6,245</u>	<u>8,700</u>
	<u>24,417</u>	<u>40,208</u>
Non-personnel Expenses		
Supplies	7,221	3,854
Telephone, telecommunications	24,656	17,194
Postage & shipping	871	1,027
Printing & copying	-	331
Books, subscriptions, reference	<u>331</u>	<u>299</u>
	<u>33,079</u>	<u>22,705</u>
Facility & Equipment Expenses		
Rent	32,700	47,484
Parking	2,890	2,401
Utilities	12,936	2,285
Equipment rental and maintenance	<u>3,480</u>	<u>2,857</u>
	<u>52,006</u>	<u>55,027</u>
Travel & Meeting Expenses		
Travel	6,290	11,007
Conferences, conventions, and meetings	<u>10,811</u>	<u>8,159</u>
	<u>17,101</u>	<u>19,166</u>
Other Types of Expenses		
Insurance - Non-employee related	13,314	8,553
Membership Dues - Organization	6,570	5,515
Staff Development	1,729	599
Outside computer services	4,694	675
Marketing expense	10,872	12,825
Other costs	<u>3,937</u>	<u>4,812</u>
	<u>41,116</u>	<u>32,979</u>
	495,999	448,655
Less Recapture of Operating Funds	(<u>27,048</u>)	-
Total Expenses	<u>\$ 468,951</u>	<u>\$ 448,655</u>

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA
STEVEN A. SCHMIDT, CPA

MEMBERS
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SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
New Orleans BioInnovation Center, Inc

We have audited the financial statements of New Orleans BioInnovation Center, Inc (a non-profit corporation) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Orleans BioInnovation Center, Inc 's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Orleans BioInnovation Center, Inc 's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of New Orleans BioInnovation Center, Inc 's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Orleans BioInnovation Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2011-1.

This report is intended solely for the information of the audit committee, management, Louisiana Legislative Auditor and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carrio & Schmitt, LLP

Metairie, Louisiana
September 12, 2011

NEW ORLEANS BIOINNOVATION CENTER, INC.

SCHEDULE OF FINDINGS AND RESPONSES

Year ended June 30, 2011

A. Summary of Auditor's Results

- 1 The auditor's report expresses an unqualified opinion on the financial statements
- 2 No significant deficiencies in internal control were disclosed by the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- 3 One instance of noncompliance material to the financial statements was noted

B. Findings and Responses - Financial Statement Audit

Finding

2011 - 1 **Financial Statements - Late Filing**

Condition New Orleans BioInnovation Center, Inc 's annual audited financial statements for the year ended June 30, 2011 were completed in September 2011, however, the financial statements were not submitted to the Louisiana a Legislative Auditors until January 23, 2012

Criteria The financial statements should be submitted to the Louisiana Legislative Auditor within six months of the year end

Questioned Costs None

Effect The financial statements were not timely filed

Recommendation That the financial statements be timely filed

Response See below

Response

Finding 2011 - 1

New Orleans BioInnovation, Inc will make sure that the financial statemnts will be submitted to the Legislative Auditors timely in the future

NEW ORLEANS BIOINNOVATION CENTER, INC.
SCHEDULE OF FINDINGS AND RESPONSES - Continued
Year ended June 30, 2011

C. Status of Prior Year Audit Findings

There were no prior year audit findings

D. Management Letter

A management letter was not issued for the current year or the prior year

E. Questioned Costs

There were no questioned costs for the year ended June 30, 2011